

Special Report

General Services Division

**The General Services Division May Have
Intentionally Avoided Following Proper
Purchasing Procedures**



**December 2005
PE 05-19-362**

JOINT COMMITTEE ON GOVERNMENT OPERATIONS

Senate

Edwin J. Bowman
Chair

Billy Wayne Bailey, Jr.
Vice Chair

Walt Helmick

Donna J. Boley

Sarah M. Minear

House Of Delegates

J.D. Beane
Chair

Timothy R. Ennis
Vice Chair

Joe Talbott

Craig P. Blair

Otis Leggett

**Scott G. Varner, Ex
Officio Non-Voting
Member**

Citizen Members

Dwight Calhoun

John Canfield

James Willison

W. Joseph McCoy

(Vacancy)



OFFICE OF THE LEGISLATIVE AUDITOR

Aaron Allred
Legislative Auditor

John Sylvia
Director

Denny Rhodes
Research Manager

Edward Cox
Research Analyst

Performance Evaluation and Research Division

Building 1, Room W-314

State Capitol Complex

Charleston, West Virginia 25305

(304) 347-4890

WEST VIRGINIA LEGISLATURE
Performance Evaluation and Research Division

Building 1, Room W-314
1900 Kanawha Boulevard, East
Charleston, West Virginia 25305-0610
(304) 347-4890
(304) 347-4939 FAX



John Sylvia
Director

December 11, 2005

The Honorable Edwin J. Bowman
State Senate
129 West Circle Drive
Weirton, West Virginia 26062

The Honorable J.D. Beane
House of Delegates
Building 1, Room E-213
1900 Kanawha Boulevard, East
Charleston, West Virginia 25305-0470

Dear Chairs:

We are transmitting a Special Report on the *General Services Division* within the Department of Administration, which will be presented to the Joint Committee on Government Operations on Sunday, December 11, 2005. The issue covered herein is "The General Services Division May Have Intentionally Avoided Following Proper Purchasing Procedures."

We transmitted a draft copy of the report to the General Services Division on November 4, 2005. We held an exit conference on November 4, 2005. We received the agency response on December 7, 2005.

Let me know if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "John Sylvia".

John Sylvia

JS/wsc

Joint Committee on Government and Finance

Contents

Executive Summary	5
Review Objective, Scope and Methodology	7
Issue 1: The General Services Division May Have Intentionally Avoided Following Proper Purchasing Procedures.....	9
 List Of Tables	
Table 1: Asbestos Abatement Contract Awards January 2004 through September 2005.....	11
Table 2: Asbestos Abatement Contracts Awarded January 2004 through September 2005.....	12
Table 3: Building #3 Abatement Contracts June 6, 2005.....	13
 List Of Appendices	
Appendix A: Transmittal Letter to Agency.....	19
Appendix B: List of DHHR Approved Asbestos Abatement Contractors.....	21
Appendix C: Pictures of Asbestos Abatement in Building 3.....	31
Appendix D: Pictures of Remaining Asbestos in Building 3.....	35
Appendix E: Agency Response.....	41

Executive Summary

Issue 1: General Services Division May Have Intentionally Avoided Following Proper Purchasing Procedures.

By request from the Secretary of the Department of Administration, the Legislative Auditor reviewed 55 contracts awarded by the General Services Division of the Department of Administration from January 2004 through September 2005. These contracts ranged from \$843 to \$9,985 with the majority of asbestos abatement contracts being awarded to two contractors and only received bids from three contractors out of the 116 licensed contractors available. Analysis of the contracts causes the Legislative Auditor to question whether Division staff intentionally performed the following actions in order to avoid the involvement of the Purchasing Division: (1) split similar asbestos abatement work in areas close in proximity into smaller sections; (2) supplemental invoices were accepted on contracts causing the total work performed to cost more than \$10,000; and (3) supplemental invoices appear to have been strung in order to keep the cost under \$1,000.

The Legislative Auditor questions whether the General Services Division deliberately split contracts to avoid purchasing requirements.

The Legislative Auditor also questions why there was always one bid less than \$10,000 while the other two bids were sometimes well over the \$10,000 threshold. This occurred with 10 contracts or 18% of the time. In addition, in one case the lowest bid was not accepted when bids were released for nine HVAC units in Building 3. All nine contracts went to Astar Abatement.

Finally, the General Services Division accepted “no bids” on seven occasions from January 2004 through September 2005. Both the Director and Asbestos Manager stated that they were told by other individuals that counting “no bids” as one of the three bids was an acceptable practice. The Purchasing Division Policies and Procedures Handbook clearly states: “*A no bid is **not** considered a bid.*”

The Legislative Auditor recommends that the Secretary of Administration report to the Joint Committee on Government Operations in January 2006, on what actions were taken to correct the problems identified in the Division of General Services’ asbestos abatement program.

Recommendations

1. *The Legislative Auditor recommends that the Secretary of Administration report to the Joint Committee on Government Operations in January 2006 on what actions were taken to correct the problems identified in the Division of General Services’ asbestos abatement program.*

2. *The Legislative Auditor recommends that the General Services Division send all staff with purchasing authority and approval authority to state Purchasing Division training.*

3. *The Legislative Auditor recommends that the Division of General Services report to the Joint Committee on Government Operations in January 2006 on how future asbestos work at the Capitol Complex should be bid: a) for the entire Capitol Complex; b) one building at a time; c) one floor at a time; or d) continue the current method, which is breaking work into smaller room-by-room sections.*

4. *The Legislative Auditor recommends that the General Services Division inform all staff with purchasing authority and approval authority that the state Purchasing Division Policies and Procedures Handbook is available on-line for reference.*

5. *The Legislative Auditor recommends that the General Services Division centralize all purchasing files for easy access and review, and develop policies regarding purchasing files stored on computers.*

Review Objective, Scope and Methodology

This Special Report of the General Services Division is authorized by West Virginia Code §4-2-5 as amended. This report was initiated as result of concerns brought to the attention of the Legislative Auditor by the Secretary of the Department of Administration regarding the General Services Division's purchasing practices.

Objective

The objective of this review was to determine whether General Services staff intentionally avoided following proper purchasing procedures.

Scope

The scope of this report was from January 2004 to September 2005.

Methodology

Information used in compiling this report was gathered from the Department of Administration, the General Services Division, interviews with General Services staff, the Purchasing Division, and the Purchasing Division's Policies and Procedures Handbook. Every aspect of this review complied with the Generally Accepted Government Auditing Standards (GAGAS).

Issue 1

The General Services Division May Have Intentionally Avoided Following Proper Purchasing Procedures.

By request from the Secretary of the Department of Administration, the Legislative Auditor reviewed 55 contracts awarded by the General Services Division of the Department of Administration.

Issue Summary

By request from the Secretary of the Department of Administration, the Legislative Auditor reviewed 55 contracts awarded by the General Services Division of the Department of Administration from January 2004 through September 2005. Analysis of the contracts causes the Legislative Auditor to question whether Division staff intentionally performed the following actions in order to avoid the involvement of the Purchasing Division: (1) split similar asbestos abatement work in areas close in proximity into smaller sections; (2) supplemental invoices were accepted on contracts causing the total work performed to cost more than \$10,000; and (3) supplemental invoices appear to have been strung in order to keep the cost under \$1,000.

The Legislative Auditor also questions why there was always one bid less than \$10,000 while the other two bids were sometimes well over the \$10,000 threshold. In addition, in one case the lowest bid was not accepted, and the Division also accepted “no bids” as one of the three bids required. The Legislative Auditor recommends that the Secretary of Administration report to the Joint Committee on Government Operations in January 2006 on what actions were taken to correct the problems identified in the Division of General Services’ asbestos abatement program.

The Legislative Auditor also questions why there was always one bid less than \$10,000 while the other two bids were sometimes well over the \$10,000 threshold.

State Agency Purchasing Requirements

According to the state Purchasing Division:

Competitive bidding is the foundation of public purchasing in the state of West Virginia.

As stated in the West Virginia Purchasing Division Policies and Procedures Handbook in Section 3.1, there are two levels of purchasing authority for state agencies. These levels are as follows:

1. **Agency Delegated Acquisitions** - Performed by the state agency for purchases \$10,000 or less.

-
2. **Formal Acquisitions** - processed by the Purchasing Division for purchases over \$10,000.

For Agency Delegated Acquisition, state agencies do not have to go through the Purchasing Division. These purchases are processed at the agency level. Agencies are encouraged to use West Virginia vendors. For purchases of \$1,000 or less, bids are **not required**. However, the Purchasing Division Policies and Procedures Handbook notes that “*competition is always encouraged.*” For purchases between \$1000 and \$5,000, three verbal bids are required, and should be documented on a Verbal Bid Quotation Summary form. Purchases between \$5,000 and \$10,000 require three written bids, and these bids should be on the Request for Quotation form. In addition, it must be noted that the Purchasing Division Policies and Procedures Handbook states in Section 3.3 that:

The Purchasing Division Policies and Procedures Handbook notes that “competition is always encouraged.”

Agencies under the executive branch of state government are required to process purchases expected to exceed \$10,000 through the Purchasing Division, unless statutorily exempt.

*A “no bid” is **not** considered a bid.*

Finally, the Purchasing Division Policies and Procedures Handbook clearly states:

*A “no bid” is **not** considered a bid.*

A total of 55 individual contracts were awarded during this time ranging from payments of \$843 to \$9,985. Only three companies were contacted when requesting bids.

General Services Division Asbestos Abatement Contracts

By request of the Secretary of Administration, the Legislative Auditor reviewed all asbestos abatement contracts awarded by the General Services Division from January 2004 through September 2005. A total of 55 individual contracts were awarded during this time ranging from payments of \$843 to \$9,985. Bids were requested on all but 14, which were below \$1,000. Only three companies were contacted when requesting bids. The three contractors were American Industrial Insulation, Astar Abatement, and Master Mechanical Insulation. The Health/Safety Asbestos Manager indicated that only three contractors were used after the problems with a previous contractor. The Legislative Auditor found that there are 116 companies (Appendix B) available to perform asbestos work locally. The Health/Safety Asbestos Manager stated:

He only uses these three in order to prevent from contracting with a fly-by-night company. A fly-by-night company previously did work for General Services, and tried to overcharge by making changes to the contract.

As shown in Table 1, the majority of the awards went to Master Mechanical Insulation in 2004, with Astar Abatement receiving the rest. In 2005, the majority of the awards went to Astar Abatement.

Table 1 Asbestos Abatement Contract Awards January 2004 through September 2005			
Contractor	2004 Contracts	2005 Contracts	Total
American Industrial Insulation	0	2	2
Astar Abatement	3	27	30
Master Mechanical Insulation	20	3	23
Totals	23	32	55
<i>Source: West Virginia Department of Administration</i>			

A review of asbestos abatement contracts established by the General Services Division for the period of January 2004 through September 2005 indicates that contracts were bid in a manner that gives the appearance that the General Services Division is intentionally splitting up contracts to avoid going through the Purchasing Division.

...the General Services Division awarded 55 contracts during this period and no contract awarded exceeded \$10,000.

The Legislative Auditor questions why one bid always came in under the \$10,000 threshold.

The Legislative Auditor Questions Whether the General Services Division Intentionally Split Contracts to Avoid Going Through the Purchasing Division

A review of asbestos abatement contracts established by the General Services Division for the period of January 2004 through September 2005 indicates that contracts were bid in a manner that gives the appearance that the General Services Division is intentionally splitting up contracts to avoid going through the Purchasing Division. As shown in Table 2, the General Services Division awarded 55 contracts during this period and no contract awarded exceeded \$10,000. **Although none of the contracts exceeded \$10,000, there were 19 contracts (35%) between \$9,000 and \$10,000.** In these bids, there were incidents where two of the three companies' bids exceeded \$10,000, with one company always providing a bid just under \$10,000. **This occurred with 10 contracts (18%).** On eight contracts, the second place bid exceeded the \$10,000 mark by over \$2,000. In two of those cases the second place bids exceeded the mark by over \$6,500. The Legislative Auditor questions why one bid always came in under the \$10,000 threshold.

Table 2 Asbestos Abatement Contracts Awarded January 2004 through September 2005		
Number of Contracts	55	-----
Contracts under \$1,000	19*	35%
Contracts \$1,000 to \$5,000	11	20%
Contracts \$5,000 to \$10,000	25	45%
Contracts \$9,000 to \$10,000	19	35%
Contracts over \$10,000	0	0%
Number of Contracts where two Co. bid over \$10,000 and was awarded to 3 rd under \$10,000	10	18%
Number of Contracts where one Co. bid over \$10,000, one "no Bid", and contract was awarded to 3 rd under \$10,000	2	4%
<i>* 14 of the 19 contracts for under \$1,000 were supplemental contracts between the dates of September 19, 2005 and September 29, 2005.</i>		
<i>Source: West Virginia Department of Administration</i>		

Because of the proximity of all the nine HVAC units, in the opinion of the Legislative Auditor, the asbestos abatement work should have fallen under one contract. Combining the nine HVAC units into one contract would have caused the Division to have to go through the Purchasing Division, and therefore the contract would have exceeded \$10,000.

...the total value for work performed in two adjacent rooms would have cost \$79,460...

The General Services Division Split Building #3 Work Into Nine Separate Contracts

Further review of the asbestos abatement contracts shows that the Division split abatement work into separate contracts. These contracts were bid separately on the same day, even though the work may have been done in the same area. The most notable example took place in the boiler room in Building #3 on the Capitol Complex. There were nine contracts split for work on nine separate HVAC units in two adjacent boiler rooms. All bids were received on June 6, 2005. Because of the proximity of all the nine HVAC units, in the opinion of the Legislative Auditor, the asbestos abatement work should have fallen under one contract. Combining the nine HVAC units into one contract would have caused the Division to have to go through the Purchasing Division, and because the contract would have exceeded \$10,000. According to the abatement contracts displayed in Table 3, six ranged from \$9,887 to \$9,985. **Since the abatement work in Building #3 was split into nine contracts, it causes the Legislative Auditor to question whether General Services staff intentionally avoided the requirement of going through the Purchasing Division.** Otherwise, the total value for work performed in two adjacent rooms would have cost \$79,460, as illustrated in Table 3. This amount clearly would have exceeded \$10,000. By separating

the contracts and keeping them under \$10,000, General Services staff avoided going through the Purchasing Division and maintained control over the bidding and purchasing process. Moreover, by avoiding the Purchasing Division, General Services staff limited the bidding to the companies of their choice. If the contract would have gone through the Purchasing Division, additional companies would have had the opportunity to place bids.

By separating the contracts and keeping them under \$10,000, General Services staff avoided going through the Purchasing Division and maintained control over the bidding and purchasing process.

Table 3 Building #3 Abatement Contracts June 6, 2005	
Job Description	Bid
Unit #1 HVAC	\$9,929
Unit #2 HVAC	\$9,975
Unit #3 HVAC	\$6,543
Unit #4 HVAC	\$9,887
Unit #5 HVAC	\$9,887
Unit #6 HVAC	\$6,543
Unit #7 HVAC	\$9,985
Unit #8 HVAC	\$9,929
Unit #9HVAC	\$6,782
Total	\$79,460
<i>Source: West Virginia Department of Administration</i>	

...by avoiding the Purchasing Division, General Services staff limited the bidding to the companies of their choice.

When questioned why the work was not performed under one contract, the Health/Safety Asbestos Manager in charge of asbestos contracts for General Services stated that:

...he never thought of bidding one contract...

In addition, the Health/Safety Manager stated that he split the contracts in order to:

...maintain command and control of a smaller area at a time and ensure that the smaller area was clear before moving to the next contract.

As far as splitting contracts for other asbestos abatement work contracted by the Division, the Health/Safety Asbestos Manager stated that he does so to:

While this example was the most blatant example of possible splitting of contracts, the Legislative Auditor questions other abatement work that also appears to have been intentionally split into separate contracts in order to avoid involving the Purchasing Division.

...give different contractors a chance to receive jobs that we bid.

It must be noted that the General Services Division only receives bids from the same three companies on all asbestos abatement contracts, and the same company - Astar Abatement - was awarded all nine contracts for the Building #3 boiler room. The Acting Director stated that he questioned why boiler room contracts were split up separately, but accepted the Health/Safety Managers explanation, and conceded to his expertise. The Acting Director of General Services Division stated that when reviewing contracts bid out by the Health/Safety Manager and other managers he:

...would only check to see if the lowest bid was chosen before signing and approving the contract.

While this was the most blatant example of possible splitting of contracts, the Legislative Auditor questions other abatement work that also appears to have been intentionally split into separate contracts in order to avoid involving the Purchasing Division.

These supplemental contracts averaged \$965, which would have caused several of the \$9,000 plus contracts to exceed \$10,000, which is clearly a violation of Purchasing regulations.

Supplemental Invoices for Building #3 Abatement Causes Contracts to Exceed \$10,000

As stated earlier, Astar Abatement was awarded the contracts on each of the Building #3 boiler rooms for abatement work. Once these projects began there were eight supplemental invoices in order to complete the work on the individual contracts. Each of these invoices was for less than \$1,000. These supplemental contracts averaged \$965, which would have caused several of the \$9,000 plus contracts to exceed \$10,000, which is clearly a violation of Purchasing regulations. These invoices all give the appearance of improprieties in General Services purchasing procedures. General Services appears to be intentionally stringing invoice in order to circumvent the purchasing process. The Purchasing Division defines stringing as:

Issuing a series of requisitions or purchase orders to circumvent competitive bidding or to defeat the State Purchasing Card transaction or delegated purchasing limit.

For example, the original contract for the work on Unit #6 was for \$6,543. There were four supplemental invoices under \$1,000 a piece for a total of \$3,905. Thus, the work on Unit #6 HVAC actually cost \$10,448.

Astar Abatement was awarded the bid for \$6,782, but Master Mechanical Insulation actually had the lowest bid at \$6,421.

According to the Acting Director of General Services and the Health/Safety Asbestos Manager, they were not aware that “no bids” could not be accepted as a bid. Although, the Purchasing Division Policies and Procedures Handbook clearly states in several places that a “no bid” is not considered a bid.

For example, the original contract for the work on Unit #6 was for \$6,543. There were four supplemental invoices under \$1,000 a piece for a total of \$3,905. Thus, the work on Unit #6 HVAC actually cost \$10,448. In addition, there were four supplemental invoices under \$1,000 for Unit #2 totaling \$3,812. The original contract for Unit #2 HVAC was for \$9,975. Thus the work on Unit #2 HVAC actually cost \$13,787. These supplemental invoices are an example of possible stringing.

In addition, there were six additional invoices under \$1,000 for Building #3 asbestos abatement work. From the data provided by the Department of Administration, the Legislative Auditor cannot determine which original contract that each of the additional six invoices would be tied to.

The General Services Division Did Not Award a Contract to the Lowest Bidder on One Occasion

Regarding the Building #3 boiler room abatement, General Services did not award the bid to the lowest bidder for Unit #9 HVAC. Astar Abatement was awarded the bid for \$6,782, but Master Mechanical Insulation actually had the lowest bid at \$6,421. Thus, the General Services Division clearly violated the Purchasing regulations.

The General Services Division Incorrectly Accepted “No Bids” As One of the Three Bids

A “no bid” is when a vendor, who has been contacted by an agency and given the specifications for goods or services, declines to make a bid for the service or commodity. **The General Services Division accepted “no bids” on seven occasions from January 2004 through September 2005.** According to the Acting Director of General Services and the Health/Safety Asbestos Manager, they were not aware that “no bids” could not be accepted as a bid. Although, the Purchasing Division Policies and Procedures Handbook clearly states in several places that a “no bid” is not considered a bid. Both the Acting Director and Asbestos Manager stated that they were told by other individuals that counting “no bids” as one of the three bids was an acceptable practice. The Acting Director of General Services claimed that the Purchasing Division told him that he could accept a “no bid” as one of the three required bids.

Lack Of Training In Purchasing For General Services Management And Asbestos Personnel

The Acting Director and Health/Safety Asbestos Manager both indicated that they have not attended the annual Purchasing Training Conference offered by the Purchasing Division.

Lack of training may be an excuse offered by General Services staff, however, the Legislative Auditor does not find this to be a valid explanation.

The General Services Division should create a plan for asbestos abatement work to continue throughout the Capitol Complex, and should report this plan to the Joint Committee on Government Operations in December 2005.

Many of the apparent improper purchasing practices regarding asbestos abatement may be a result of intentional actions. One additional problem could be a lack of training within General Services Division. The Acting Director and Health/Safety Asbestos Manager both indicated that they have not attended the annual Purchasing Training Conference offered by the Purchasing Division. In addition, both stated that they have not received any formal purchasing training. The Director of Purchasing indicated that he has no evidence that these two employees have been in attendance in purchasing training. The Legislative Auditor recommends that the Secretary of Administration require all appropriate General Services employees to attend the next Purchasing Conference and attend any additional purchasing training offered by the State of West Virginia. There may have been a lack of training for General Services staff, however, **it is the responsibility of Division directors and agency staff to educate themselves on all purchasing regulations, and any other regulations pertaining to the operations of state government.** The Purchasing regulations are regularly available in print or on the Purchasing Division's website.

The General Services Division Should Create a Plan for Future Asbestos Abatement Work

During the walkthrough of the asbestos abatement work completed in Building #3, the Legislative Auditor was shown other areas of the building where work has not been completed or bid. As shown in the pictures in Appendix D, the continuation of asbestos abatement is necessary. The General Services Division should create a plan for asbestos abatement work to continue throughout the Capitol Complex, and should report this plan to the Joint Committee on Government Operations in January 2006. The plan should include the method that this work will be bid: a) for the entire Capitol Complex; b) one building at a time; c) one floor at a time; or d) continue the current method, which is breaking work into smaller room-by-room sections. **It must be noted that the General Services Division has an asbestos abatement account with over \$11 million.**

Conclusion

The Legislative Auditor reviewed the 55 contracts awarded by the General Services Division of the Department of Administration from January

General Services awarded the majority of asbestos abatement contracts to two contractors and only received bids from three contractors out of the 116 licensed contractors available.

2004 through September 2005. General Services awarded the majority of asbestos abatement contracts to two contractors and only received bids from three contractors out of the 116 licensed contractors available. Analysis of the contracts causes the Legislative Auditor to question whether Division staff intentionally performed the following actions in order to avoid the involvement of the Purchasing Division:

1. Split similar asbestos abatement work in areas close in proximity into smaller sections in order to ensure the cost of each contract was less than \$10,000;
2. Supplemental invoices were accepted on contracts causing the total work performed to cost more than \$10,000;
3. Supplemental invoices appear to have been strung in order to keep the cost under \$1,000.

The Legislative Auditor also questions why there was always one bid less than \$10,000 while the other two bids were sometimes well over the \$10,000 threshold. In addition, in one case the lowest bid was not accepted, and the Division also accepted “no bids” as one of the three bids required. These actions create an appearance that the General Services Division intentionally avoided following proper purchasing procedures. In addition, the Acting Director of General Services should have more actively controlled the bidding process, as opposed to merely checking to see if the lowest bid was chosen before signing and approving the contracts.

The Legislative Auditor also questions why there was always one bid less than \$10,000 while the other two bids were sometimes well over the \$10,000 threshold.

Recommendations

1. *The Legislative Auditor recommends that the Secretary of Administration report to the Joint Committee on Government Operations in January 2006 on what actions were taken to correct the problems identified in the Division of General Services’ asbestos abatement program.*

It is also clear that there is a lack of supervision by the Acting Director of the General Services Division over the purchasing process.

2. *The Legislative Auditor recommends that the General Services Division send all staff with purchasing authority and approval authority to state Purchasing Division training.*

3. *The Legislative Auditor recommends that the Division of General Services report to the Joint Committee on Government Operations in January 2006 on how future asbestos work at the Capitol Complex should be bid: a) for the entire Capitol Complex; b) one building at a*

time; c) one floor at a time; or d) continue the current method, which is breaking work into smaller room-by-room sections.

4. The Legislative Auditor recommends that the General Services Division inform all staff with purchasing authority and approval authority that the state Purchasing Division Policies and Procedures Handbook is available on-line for reference.

5. The Legislative Auditor recommends that the General Services Division centralize all purchasing files for easy access and review, and develop policies regarding purchasing files stored on computers.

WEST VIRGINIA LEGISLATURE
Performance Evaluation and Research Division

Building 1, Room W-314
1900 Kanawha Boulevard, East
Charleston, West Virginia 25305-0610
(304) 347-4890
(304) 347-4939 FAX



John Sylvia
Director

December 2, 2005

Robert W. Ferguson, Jr., Secretary
Department of Administration
1900 Kanawha Blvd., East
Building 1, Room E-119
Charleston, WV 25305-0120

Dear Secretary Ferguson:

This is to transmit a draft copy of the Special Report on the General Services Division within the Department of Administration. This report is scheduled to be presented during the December 2005 interim meeting of the Joint Committee on Government Operations. We will inform you of the exact time and location once the information becomes available. It is expected that a representative from your agency be present at the meeting to orally respond to the report and answer any questions the committee may have.

We need your written response by noon on Tuesday, December 6, 2005, in order for it to be included in the final report. If your agency intends to distribute additional material to committee members at the meeting, please contact the House Government Organization staff at 340-3192 by Thursday, December 8, 2005, to make arrangements.

We request that your personnel not disclose the report to anyone not affiliated with your agency. Thank you for your cooperation.

Sincerely,

A handwritten signature in cursive script that reads "John Sylvia".

John Sylvia

Enclosure

Joint Committee on Government and Finance

Appendix B: List of DHHR Approved Asbestos Abatement Contractors

License List

<http://www.wvdhhr.org/rtia/allcon.cfm>

WV - DHHR - BPH - OEHS - RTIA

DHHR Site Search - DHHR Site Map

Radiation, Toxics & Indoor Air Division

Asbestos Contractors - 116 records.

(Each record includes: Company Name, Address, City/State/Zip, License Number and Date License Expires)

Central Insulation System, Inc. 300 Murray Rd Cincinnati, OH 45217 Phone: (513) 242-0600	License Number: AC001049 License Expires: November 30, 2005
Alloyd Asbestos Abatement Co. 5734 Webster Street Dayton, OH 45414 Phone: (937) 890-7900	License Number: AC001102 License Expires: April 30, 2006
American Industrial Contracting, Inc. 264 East Beaver St Sewickley, PA 15143 Phone: (412) 741-8513	License Number: AC001141 License Expires: August 31, 2006
American Industrial Insulation, Inc. 501 Terrace Avenue Huntington, WV 25705 Phone: (304) 529-4771	License Number: AC001046 License Expires: November 30, 2005
American Services Group Inc 5695 State Rt 128 Cleveland, OH 45002 Phone: (513) 353-4220	License Number: AC001050 License Expires: November 30, 2005
Bierlein Demolition Contractors, Inc. 2000 Bay City Rd Midland, MI 48642 Phone: (989) 496-0066	License Number: AC001080 License Expires: March 31, 2006
Burnham Industrial Contractors, Inc. 3229 Babcock Blvd Pittsburgh, PA 15237 Phone: (412) 366-6622	License Number: AC001045 License Expires: November 30, 2005
Environmental & Demolition Services 1415 Bush Street 2nd Floor Baltimore, MD 21230 Phone: (410) 727-7942	License Number: AC001157 License Expires: October 31, 2006
Enviro-Tech Abatement Services Co. 1386 Beulah Rd., Bldg. #801 Pittsburgh, PA 15235 Phone: (412) 243-3200 Ext. 0010	License Number: AC001051 License Expires: November 30, 2005
Foamcoat Roofing & Coatings, Inc. P.O. Box 149 Davisville, WV 26142 Phone: (304) 422-5512	License Number: AC001130 License Expires: July 31, 2006
Lofts Environmental Services, Inc. P.O. Box 10100 Charleston, WV 253570100 Phone: (304) 342-8200	License Number: AC001109 License Expires: May 31, 2006
Mark A. Romano General Contractor 122 North Street Bluefield, WV 24701 Phone: (304) 327-5460	License Number: AC001091 License Expires: April 30, 2006
Williams Specialty Services, LLC 2076 West Park Place Stone Mountain, GA 30087 Phone: (770) 879-4000	License Number: AC001115 License Expires: May 31, 2006
A.C.T. Abatement Corp. 18 Broadway Lawrence, MA 01840-1010 Phone: (978) 794-9530	License Number: AC001156 License Expires: October 31, 2006
Abmech, Inc. 969 Forest Avenue West Homestead, PA 15120 Phone: (412) 462-7440	License Number: AC001125 License Expires: July 31, 2006
ACM Services, Inc. 1101 Taft Street Rockville, MD 20850 Phone: (301) 279-0072	License Number: AC001099 License Expires: April 30, 2006

Advanced Specialty Cont

P.O. Box 1268
Lancaster, PA 17608
Phone: (717) 399-5238

License Number: AC001147
License Expires: September 30, 2006

Air Technology, Inc.

PMB 326 7228 Baptist Rd.
Bethel Park, PA 15102
Phone: (412) 833-6257

License Number: AC001075
License Expires: February 28, 2006

Alert Environmental Contracting, Inc.

P.O. Box 960
Bridgeport, WV 26330
Phone: (304) 622-4340

License Number: AC001117
License Expires: June 30, 2006

Allegheny Environmental Services LLC

PO Box 861
Morgantown, WV 26507
Phone: (304) 291-6765

License Number: AC001042
License Expires: November 30, 2005

American Asbestos Control

60 Progress Ave.
Cranberry Twp, PA 16066
Phone: (724) 776-6560

License Number: AC001151
License Expires: September 30, 2006

AMI Environmental Contracting

192 Vista Del Rio
Morgantown, WV 26508
Phone: (304) 292-1659

License Number: AC001155
License Expires: October 31, 2006

Astar Abatement, Inc.

P.O. Box 13533
Sissonville, WV 25360
Phone: (304) 984-4030

License Number: AC001077
License Expires: February 28, 2006

Astech Corporation

1601 Coonskin Drive
Charleston, WV 25311
Phone: (304) 342-0545

License Number: AC001136
License Expires: July 31, 2006

Atlantic Environmental Construction Co.

924 Professional Place
Chesapeake, VA 23320
Phone: (757) 548-4888

License Number: AC001113
License Expires: May 31, 2006

Last updated: November 2005 - 116 records located.

[<- Previous 25 records](#)

[Next 25 records ->](#)

Radiation, Toxics & Indoor Air Division**Asbestos Contractors - 116 records.**

(Each record includes: Company Name, Address, City/State/Zip, License Number and Date License Expires)

Atlas Industries Inc. 22 Helen St. New Martinsville, WV 26155 Phone: (304) 455-1680	License Number: AC001152 License Expires: September 30, 2006
August Environmental, Inc. 327 Beechurst Avenue Morgantown, WV 26505 Phone: (304) 291-6164	License Number: AC001134 License Expires: July 31, 2006
Basic Industries, Inc. 15981 Airline Highway Baton Rouge, LA 70817 Phone: (225) 752-4333	License Number: AC001154 License Expires: September 30, 2006
Baxter Group, Inc. 941 Progress Road Chambersburg, PA 17201 Phone: (717) 263-7341	License Number: AC001090 License Expires: April 30, 2006
Brandenburg Industrial Service Co. 1905 East 4th St Bethlehem, PA 18015 Phone: (610) 691-1800	License Number: AC001131 License Expires: July 31, 2006
Braxton Enterprises, Inc. 331 Airport Rd. Sutton, WV 26601 Phone: (304) 765-2999	License Number: AC001120 License Expires: June 30, 2006
Brayman Construction Corp. 1000 John Roebing Way Saxonburg, PA 16056 Phone: (724) 443-1533	License Number: AC001100 License Expires: April 30, 2006
Bristol Environmental Inc 660 Horning Road Pittsburgh, PA 152363364 Phone: (412) 833-8122	License Number: AC001044 License Expires: November 30, 2005
C & H Industries Po Box 176 Beverly, WV 26253 Phone: (304) 636-1194	License Number: AC001061 License Expires: January 31, 2006
C. J. Hughes Construction Co., Inc. P. O. Box 7305 Huntington, WV 25776-7305 Phone: (304) 522-3868	License Number: AC001054 License Expires: December 31, 2005
Cabell County Board Of Education 2850 5th Av Po Box 446 Huntington, WV 25709 Phone: (304) 528-5057	License Number: AC001122 License Expires: June 30, 2006
Canfield Development Inc. 2536 Library Road Pittsburgh, PA 15234 Phone: (412) 885-7428	License Number: AC001076 License Expires: February 28, 2006
Carl Frank Industries Inc. 300 Spruce St Pittsburgh, PA 15202 Phone: (412) 766-1531	License Number: AC001121 License Expires: June 30, 2006
Cira and Associates Consulting LLC 110 Forest Drive Morgantown, WV 26505 Phone: (304) 598-0713	License Number: AC001059 License Expires: January 31, 2006
Clear Ridge Construction Services, Inc. 43 West 3rd Street, Suite 202 Everett, PA 15537 Phone: (814) 652-6458	License Number: AC001073 License Expires: February 28, 2006
Clearwater Loaders, Inc. 11150 S. Wilcrest Drive Houston, TX 77099 Phone: (281) 530-8711	License Number: AC001111 License Expires: May 31, 2006

License List

<http://www.wvdhhr.org/rtia/allcon.cfm>

Day & Zimmerman NPS
1866 Colonial Village Lane Suite 101
Lancaster, PA 17601
Phone: (717) 481-5600

License Number: AC001101
License Expires: April 30, 2006

Dilapidated Demolition
11707 Boardwalk Ave. NE
Cumberland, MD 21502
Phone: (301) 724-5004

License Number: AC001139
License Expires: August 31, 2006

E. Luke Greene Company, Inc.
4807 Douglas Dam Rd
Strawberry Plains, TN 37871
Phone: (865) 933-5902

License Number: AC001086
License Expires: March 31, 2006

Ecor Solutions, Inc.
508 Brandywine Parkway
West Chester, PA 19380
Phone: (610) 431-8731

License Number: AC001070
License Expires: February 28, 2006

Empire Builders, Inc.
101 Empire Lake Drive
Parkersburg, WV 26101
Phone: (304) 422-1677

License Number: AC001071
License Expires: February 28, 2006

Empire Salvage & Recycling, Inc.
P O Box 300
Bluefield, WV 24701
Phone: (304) 425-6046

License Number: AC001135
License Expires: July 31, 2006

Environmental Protection Systems LLC
1690 Lincoln Avenue
Girard, OH 44420
Phone: (330) 539-2000

License Number: AC001060
License Expires: January 31, 2006

Environmental Solutions Inc.
RR 1, Box 414 A
Mount Clare, WV 26408
Phone: (304) 623-6347

License Number: AC001078
License Expires: February 28, 2006

FACE Associates, Inc.
P.O. Box 609
Uniontown, PA 15401
Phone: (524) 439-4951

License Number: AC001128
License Expires: July 31, 2006

Last updated: November 2005 - 116 records located.

[<-- Previous 25 records](#)

[Next 25 records -->](#)

Radiation, Toxics & Indoor Air Division

Asbestos Contractors - 116 records.

(Each record includes: Company Name, Address, City/State/Zip, License Number and Date License Expires)

Fayette County Board of Education

111 Fayette Ave
Fayetteville, WV 25840
Phone: (304) 574-0511

License Number: AC001039
License Expires: November 30, 2005

Firth Environmental, L.L.C.

122 Suds Run Rd
Mount Clare, WV 26408
Phone: (304) 622-6952

License Number: AC001133
License Expires: July 31, 2006

Ford General Industries, Inc.

1030 5th Avenue
Coraopolis, PA 15108
Phone: (412) 299-0881

License Number: AC001092
License Expires: April 30, 2006

General Electric

4930 Buttermilk Hollow Road
West Mifflin, PA 15122
Phone: (412) 469-9605

License Number: AC001066
License Expires: January 31, 2006

Geo. V. Hamilton, Inc.

River Avenue
McKees Rocks, PA 15136
Phone: (412) 771-0900

License Number: AC001150
License Expires: September 30, 2006

Global Insulation, Inc.

1501 Raff Rd. SW
Canton, OH 44710
Phone: (330) 479-3100

License Number: AC001142
License Expires: August 31, 2006

Gormley Environmental Corp.

4260 Hawthorne Road
Indian Head, MD 20640
Phone: (301) 753-9358

License Number: AC001104
License Expires: May 31, 2006

Greenmoor, Inc

18 Seneca Place - P.O. Box D
Avella, PA 15312
Phone: (724) 587-5960

License Number: AC001053
License Expires: December 31, 2005

GVH Environmental, Inc.

River Ave
McKees Rocks, PA 15136
Phone: (412) 771-0900

License Number: AC001088
License Expires: March 31, 2006

Harry L. Hendricks Contracting, Inc.

768 Old Rt 33
Weston, WV 26452
Phone: (304) 269-6611

License Number: AC001094
License Expires: April 30, 2006

Hazzards Excavating & Trucking Co.

P O Box 398
Kimball, WV 24853
Phone: (304) 585-7060

License Number: AC001140
License Expires: August 31, 2006

Hepaco, Inc.

P.O. Box 26308
Charlotte, NC 28221
Phone: (704) 598-9782

License Number: AC001148
License Expires: September 30, 2006

Huffman Corporation

415A Benedum Drive
Bridgeport, WV 26330
Phone: (304) 842-8500

License Number: AC001106
License Expires: May 31, 2006

Improvements Unlimited

1544 Ambrose Lane
Princeton, WV 24740
Phone: (304) 487-1266

License Number: AC001081
License Expires: March 31, 2006

Insulation Specialties Inc

Po Box 1629
Hopewell, VA 23860
Phone: (804) 458-1555

License Number: AC001048
License Expires: November 30, 2005

Jackson Dynamics

628 Spring St
Fairmont, WV 26554
Phone: (304) 363-3803

License Number: AC001041
License Expires: November 30, 2005

License List

<http://www.wvdhhr.org/rtia/allcon.cfm>

Justice Business Services

P O Box 33
Marietta, OH 45750
Phone: (740) 374-8441

License Number: AC001123
License Expires: June 30, 2006

Kalkreuth Roofing & Sheet Metal, Inc.

41-40th Street P.O. Box 6399
Wheeling, WV 26003
Phone: (304) 232-8540

License Number: AC001149
License Expires: September 30, 2006

Lasco Contracting LLC

4000 Portugee Place
Sandston, VA 23150
Phone: (804) 737-9260

License Number: AC001068
License Expires: February 28, 2006

Lepi Enterprises, Inc.

630 G.W. Morse St Po Box 457
Zanesville, OH 43702-0457
Phone: (740) 453-2980

License Number: AC001095
License Expires: April 30, 2006

Liberty Environmental Specialties, Inc.

6184 S Us Highway 231
Cloverdale, IN 46120
Phone: (765) 653-2332

License Number: AC001057
License Expires: December 31, 2005

Logan County Board Of Ed.

P.O. Box 477 Holly Av
Logan, WV 25601
Phone: (304) 752-1550

License Number: AC001058
License Expires: December 31, 2005

LVI Environmental Services, Inc.

8005 Cessna Avenue
Gaithersburg, MD 20879
Phone: (301) 840-8898

License Number: AC001087
License Expires: March 31, 2006

M. R. Dishman & Sons, Inc.

3156 Moorefield Bridge Road Po Box 10250
Danville, VA 24542
Phone: (434) 685-3911

License Number: AC001143
License Expires: September 30, 2006

MARCOR Remediation, Inc.

246 Cockeysville Road
Hunt Valley, MD 21030
Phone: (410) 785-0001

License Number: AC001097
License Expires: May 31, 2006

Last updated: November 2005 - 116 records located.

[← Previous 25 records](#)

[Next 25 records →](#)

WV - DHHR - BPH - OEHS - RTIA

DHHR Site Search - DHHR Site Map

Radiation, Toxics & Indoor Air Division**Asbestos Contractors - 116 records.**

(Each record includes: Company Name, Address, City/State/Zip, License Number and Date License Expires)

Master Mechanical Insulation, Inc.525 28th Street
Huntington, WV 25702
Phone: (304) 522-6160**License Number:** AC001107
License Expires: May 31, 2006**MVEI**RR 1 Box 414
Mount Clare, WV 26408
Phone: (304) 623-9252**License Number:** AC001082
License Expires: March 31, 2006**N. F. Mansuetto & Sons, Inc.**Second & Wood Sts
Martins Ferry, OH 43935
Phone: (740) 633-7320**License Number:** AC001132
License Expires: July 31, 2006**Neumeyer Environmental Services, Inc.**3527 Smallman Street
Pittsburgh, PA 15201
Phone: (412) 621-1238**License Number:** AC001137
License Expires: August 31, 2006**Norris Environmental, Inc.**68011 Vineyard Road
St Clairsville, OH 43950
Phone: (740) 695-6827**License Number:** AC001062
License Expires: January 31, 2006**Northwinds Abatement, Inc.**14219 Muscatine
Houston, TX 77015
Phone: (713) 451-0158**License Number:** AC001138
License Expires: August 31, 2006**Orange Construction Corporation**170 Old Cheat Road
Morgantown, WV 26508
Phone: (304) 288-5347**License Number:** AC001096
License Expires: April 30, 2006**Otis Eastern Service, Inc.**P.O. Box 330
Wellsville, NY 14895
Phone: (585) 593-4760**License Number:** AC001112
License Expires: May 31, 2006**Parco Environmental, Inc.**6200 Riverside Drive
Cleveland, OH 44135
Phone: (412) 472-0500**License Number:** AC001055
License Expires: December 31, 2005**Performance Abatement Services, Inc.**16047 W. 110th Street
Lenexa, KS 66219
Phone: (913) 888-8600**License Number:** AC001124
License Expires: July 31, 2006**Phoenix Environmental, Inc.**1330 Seaborn St., Suite 10
Mineral Ridge, OH 44440
Phone: (330) 299-0333**License Number:** AC001118
License Expires: June 30, 2006**Power Component Systems**7526 Connelley Dr. Suite R
Hanover, MD 21076
Phone: (410) 760-0022**License Number:** AC001056
License Expires: December 31, 2005**Precision Environmental Co.**5500 Old Becksville Road
Independence, OH 44131
Phone: (216) 642-6040**License Number:** AC001093
License Expires: April 30, 2006**Prime Insulation, Inc.**P.O. Box 9128
South Charleston, WV 25309
Phone: (304) 768-4551**License Number:** AC001126
License Expires: July 31, 2006**Project Development Group, Inc.**1386 Beulah Rd Bldg. #801
Pittsburgh, PA 15235-5068
Phone: (412) 243-3200**License Number:** AC001083
License Expires: March 31, 2006**Quality Specialties Inc**P O Box 46
Hopewell, VA 23860
Phone: (804) 458-1555**License Number:** AC001047
License Expires: November 30, 2005

License List

<http://www.wvdhhr.org/rtia/allcon.cfm>

R & B Dismantling, Inc.

P.O. Box 128
Milton, WV 25541
Phone: (304) 757-5920

License Number: AC001114
License Expires: May 31, 2006

R. L. Abatement, Inc.

1246 Jack's Corner Rd.
Hopewell, PA 16650
Phone: (814) 766-3204

License Number: AC001110
License Expires: May 31, 2006

Raleigh County Board Of Education

151 Cranston Drive
Beckley, WV 25801
Phone: (304) 256-4565

License Number: AC001052
License Expires: November 30, 2005

Raze International, Inc.

P O Box 188
Bridgeport, OH 43912-0188
Phone: (304) 281-2299

License Number: AC001043
License Expires: November 30, 2005

Retro Environmental Inc.

5301-D Enterprise St.
Sykesville, MD 21784
Phone: (877) 307-3876

License Number: AC001065
License Expires: January 31, 2006

Rodney Loftis & Son Contracting Inc.

Po Box 10100
Charleston, WV 25357-0100
Phone: (304) 342-8200

License Number: AC001108
License Expires: May 31, 2006

Romig Roofing Company

PO Box 75
St Clairsville, OH 43950
Phone: (740) 695-3752

License Number: AC001064
License Expires: January 31, 2006

RS Environmental, Inc.

109 Seneca Valley Estates
Sissonville, WV 25320
Phone: (304) 984-0311

License Number: AC001084
License Expires: March 31, 2006

S & S Environmental Services, Inc.

6603 Tackawanna Street
Philadelphia, PA 19135
Phone: (215) 332-0730

License Number: AC001074
License Expires: February 28, 2006

Last updated: November 2005 - 116 records located.

[<< Previous 25 records](#)

[Next 25 records >>](#)

Radiation, Toxics & Indoor Air Division

Asbestos Contractors - 116 records.

(Each record includes: Company Name, Address, City/State/Zip, License Number and Date License Expires)

S T Pipeline Inc 5 Youngstown Drive Clendenin, WV 25045 Phone: (304) 548-7013	License Number: AC001069 License Expires: February 28, 2006
Safeco Environmental, Inc. 147 Greater Pt Marion Rd Point Marion, PA 15474 Phone: (724) 725-5726	License Number: AC001103 License Expires: April 30, 2006
Singer Sheet Metal Co., Inc. 510 East Street Parkersburg, WV 26101 Phone: (304) 422-5495	License Number: AC001145 License Expires: September 30, 2006
Tank Services Co. P.O. Box 80070 Canton, OH 44708 Phone: (330) 479-9267	License Number: AC001119 License Expires: June 30, 2006
The Huntington WV Housing Authority PO Box 2183 Huntington, WV 25722 Phone: (304) 526-4400 Ext. 138	License Number: AC001144 License Expires: September 30, 2006
Thermal Solutions Inc. 9329 State Rt. 7 Proctorville, OH 45669 Phone: (740) 886-2861	License Number: AC001089 License Expires: March 31, 2006
Tri State Roofing & Sheet Metal Co. Po Box 1231 Charleston, WV 25324 Phone: (304) 755-8135	License Number: AC001127 License Expires: July 31, 2006
Tri-State Roofing & Sheet Metal Co. 10 Davisville Road, PO Box 188 Davisville, WV 26142 Phone: (304) 485-6593	License Number: AC001085 License Expires: March 31, 2006
United/Anco Services, Inc. 4601 Planned Industrial Drive St. Louis, MO 63120 Phone: (314) 383-4061	License Number: AC001063 License Expires: January 31, 2006
UTX, Inc. PO Box 667969 Charlotte, NC 28266 Phone: (704) 391-7747	License Number: AC001153 License Expires: September 30, 2006
VanDyke Roofing 2000 Harvey Avenue East Liverpool, OH 43920 Phone: (330) 382-1050	License Number: AC001105 License Expires: May 31, 2006
W. E. L. Inc. P O Box 109 Concord, VA 24538 Phone: (434) 993-2210	License Number: AC001079 License Expires: February 28, 2006
Waco Inc. 5450 Lewis Road Sandston, VA 23150 Phone: (804) 222-8440	License Number: AC001040 License Expires: November 30, 2005
Wastetron, Inc. (WTI) Rt 2 Box 33 B Poca, WV 25159 Phone: (304) 755-8448	License Number: AC001067 License Expires: February 28, 2006
Weavertown Transport Leasing, Inc. 2 Dorrington Road Carnegie, PA 15106 Phone: (724) 746-4850	License Number: AC001146 License Expires: September 30, 2006
Zeigler Environmental Services, Inc. 2400 Central Ave Middletown, OH 45044 Phone: (513) 424-0069	License Number: AC001072 License Expires: February 28, 2006

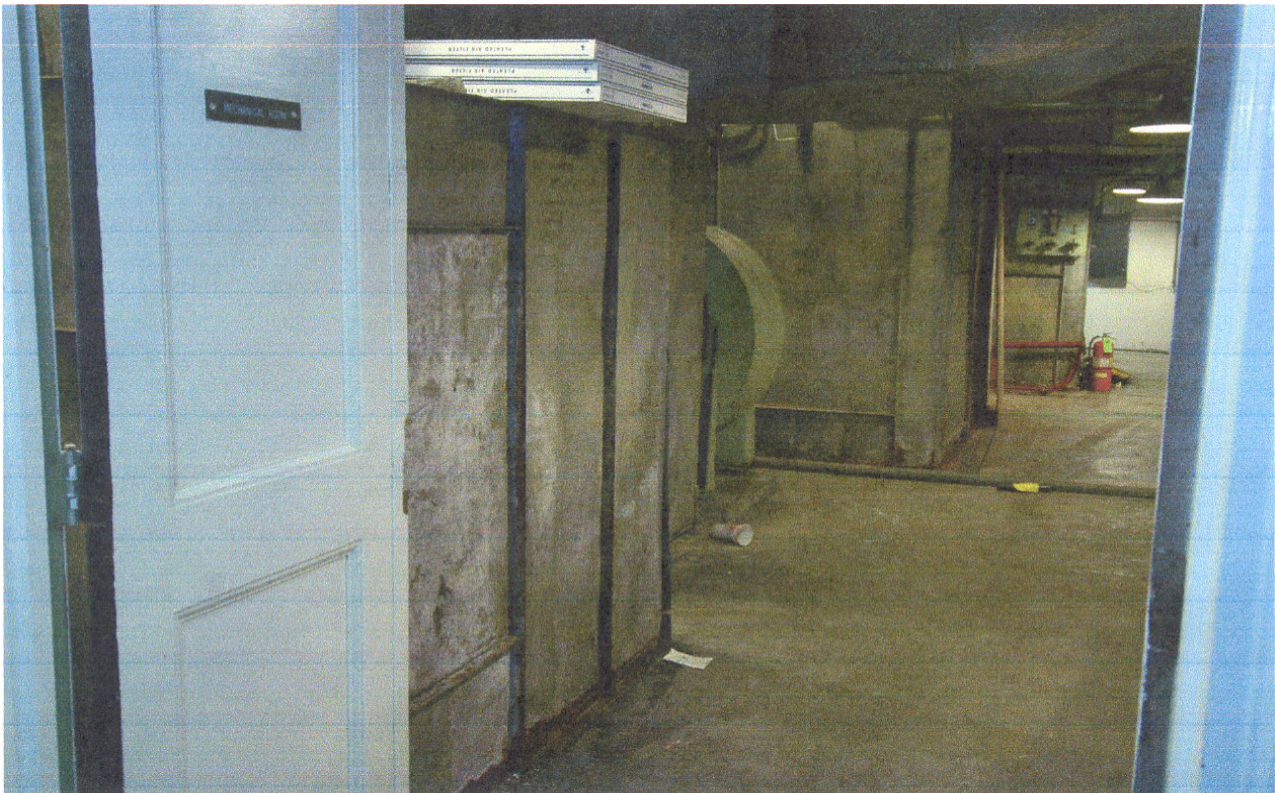
Last updated: November 2005 - 116 records located.

[← Previous 25 records](#)[Next 25 records →](#)

Appendix C: Pictures of Asbestos Abatement in Building 3



Building 3 HVAC units 1-4 abatement area.



Building 3 HVAC units 1-4 abatement area.



There is a distance of 3 feet between the HVAC Units in Building 3.

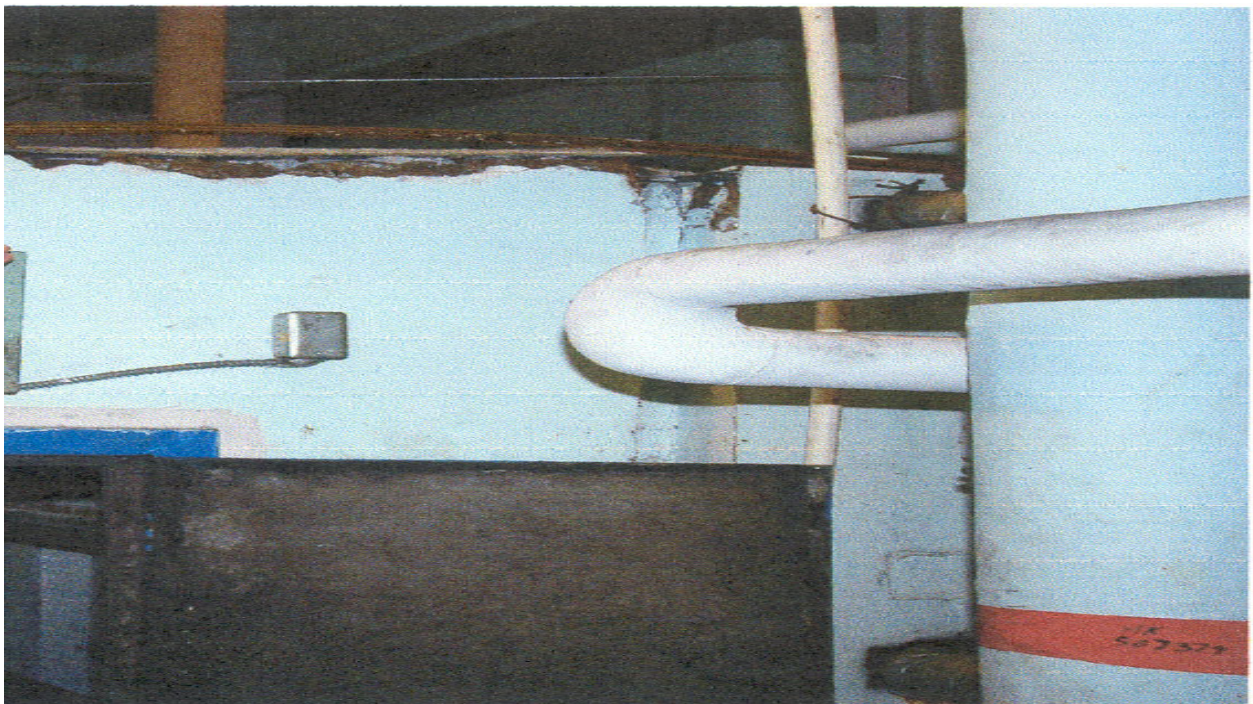


Abestos abatement area for contract #7 in Building 3.

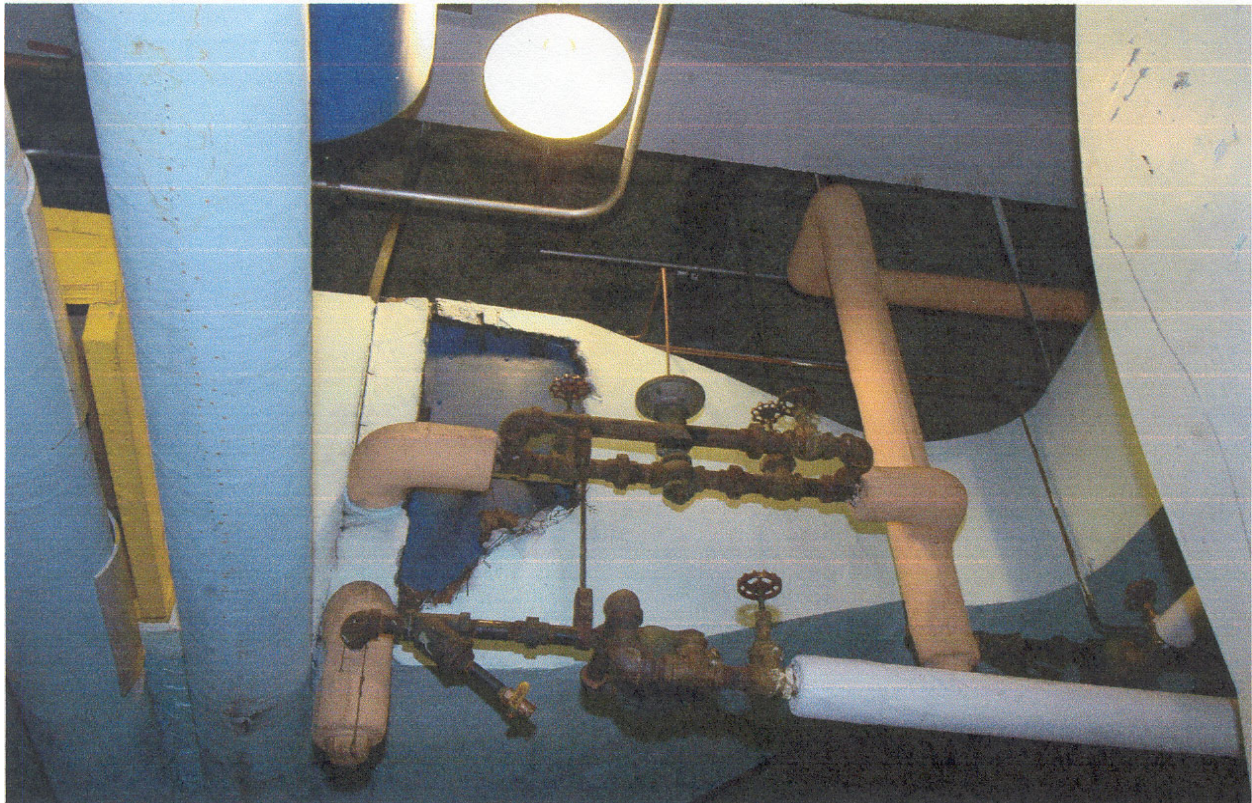
Appendix D: Pictures of Remaining Asbestos in Building 3



Loose asbestos hanging on walls and ceiling in the attic of Building 3.



Encased asbestos broken open in the attic of Building 3.



Encased asbestos broken open in the attic of Building 3.



Asbestos has been scraped away from this area in the attic of Building 3.



A piece of asbestos fallen from the ceiling in the attic of Building 3.

Appendix E: Agency Response



JOE MANCHIN III
GOVERNOR

STATE OF WEST VIRGINIA
DEPARTMENT OF ADMINISTRATION
OFFICE OF THE CABINET SECRETARY

ROBERT W. FERGUSON, JR.
CABINET SECRETARY

December 6, 2005

Mr. John Sylvia
Building 1, Room W-314
Charleston, West Virginia 25305

RECEIVED
DEC 07 2005

PERFORMANCE EVALUATION AND
RESEARCH DIVISION

Dear Mr. Sylvia:

This letter is to transmit the West Virginia Department of Administration's response to the review by the Legislative Auditor of the 55 contracts awarded by the General Services Division of the Department from January 2004 through September 2005.

Agency representatives will be available to appear before the Joint Committee on Government Operations during the December interim session. We do not intend to distribute additional material to committee members at the meeting.

We will honor your request that information in this report not be disclosed to anyone not affiliated with our agency before you release it.

Upon being appointed Cabinet Secretary of the Department of Administration, I was given clear guidance to operate the Department in such manner as to result in better and more efficient government and to safeguard the state's resources. Additionally, a further directive was to operate the Department at the highest level of ethical standards and to ensure that there is full compliance with not only all laws but also the spirit and intent of those laws.

As soon as the Department became aware that there were potential irregularities in the above-referenced contracts, an in-house investigation was promptly commenced. Upon completion, your office was contacted and asked to perform an audit on the General Services Division.

Thank you for responding so quickly to the Department's request for assistance.

Sincerely,

A handwritten signature in cursive script that reads "Robert W. Ferguson, Jr.".

Robert W. Ferguson, Jr., Cabinet Secretary
Department of Administration

RWFJr/jt

Enclosures: 2 pages

1900 KANAWHA BOULEVARD, EAST • BUILDING 1, ROOM E-119 • CHARLESTON, WEST VIRGINIA 25305-0120 • 304.558.4331 • FAX: 304.558.2999

WWW.STATE.WV.US/ADMIN

EQUAL OPPORTUNITY EMPLOYER

WEST VIRGINIA DEPARTMENT OF ADMINISTRATION RESPONSE

ISSUE: The General Services Division May Have Intentionally Avoided Following Proper Purchasing Procedures

Recommendation 1:

The Legislative Auditor recommends that the Secretary of Administration report to the Joint Committee on Government Operations in December 2005 on what actions were taken to correct the problems identified in the Division of General Services' asbestos abatement program.

Department Response:

Effective October 20, 2005, the General Services Division is required to submit all purchases over one thousand dollars (\$1,000) to the Purchasing Division for approval. Additionally, requests to purchase must receive approval by the Purchasing Division prior to issuance of contracts. Finally, upon completion of the review, the appropriate personnel actions will be taken.

Recommendation 2:

The Legislative Auditor recommends that the General Services Division send all staff with purchasing authority and approval authority to state Purchasing Division training.

Department Response:

On December 2, 2005, the Assistant Director of the Purchasing Division, Karen Byrd, conducted a ½ day training class for eighteen (18) members of the General Services Division. Attendees included not only those with purchasing and/or approval authority, but also managers and supervisors. Class topics included, but were not limited to, purchasing basics, issuing RFPs, emergency contracting, open-ended contracts, stringing, and obtaining materials in a timely fashion.

Additionally, the Department has advertised the position of Director of General Services and is accepting applications until December 30. After the new Director has been appointed, a second training class will be scheduled for the new Director to attend, as well as nine (9) who were also identified as belonging to the above group but were unable to attend the first class.

Recommendation 3:

The Legislative Auditor recommends that the Division of General Services report to the Joint Committee on Government Operations in December 2005 on how future asbestos work at the Capitol complex should be bid: (a) for the entire Capitol Complex; (b) one building at a time; (c) one floor at a time; or (d) continue the current method, which is breaking work into smaller room-by-room sections.

Department Response:

GSD will bid the abatement work for the Capitol Complex Campus and outlying buildings under one contract which would be through the Purchasing Division's procedures for such service. The specifications for such a contract must be written to include the abatement of other environmental issues such as lead and mold. The specifications shall contain language that commits the vendors to a 24/7 on-call status with adequate staffing to perform their abatement services at the time that they are called with no exceptions. Failure to satisfy the language in the specifications will be justification to eliminate a vendor from the bidding process. With these and other pertinent safeguards in place in the specifications the General Services Division on behalf of the Department of Administration would be better served for all environmental issues that may arise without any forewarning.

Recommendation 4:

The Legislative Auditor recommends that the General Services Division inform all staff with purchasing authority and approval authority that the state Purchasing Division Policies and Procedures Handbook is available on-line for reference.

Department Response:

The Department's Division of General Services has complied with this recommendation. Attendees at the Purchasing Division training were given a copy of the Handbook.

Recommendation 5:

The Legislative Auditor recommends that the General Services Division centralize all purchasing files for easy access and review, and develop policies regarding purchasing files stored on computers.

Department Response:

The Department's Division of General Services has begun the process of complying with this recommendation. The Internal Auditor from the Finance Division will supervise the organization of the file system and will oversee the development of relevant policies.